

§ 60.43

42 CFR Ch. I (10–1–11 Edition)

(b) *Reports.* A lender or holder must submit reports to the Secretary at the time and in the manner required by the Secretary.

(c) *Inspections.* Upon request, a lender or holder must afford the Secretary, the Comptroller General of the United States, and any of their authorized representatives access to its records in order to assure the correctness of its reports.

(d) The lender or holder must comply with the Department's biennial audit requirements of section 705 of the Act.

(e) Any lender or holder who has information which indicates potential or actual commission of fraud or other offenses against the United States, involving these loan funds, must promptly provide this information to the appropriate Regional Office of Inspector General for Investigations.

(Approved by the Office of Management and Budget under control numbers 0915–0043 and 0915–0108)

[48 FR 38988, Aug. 26, 1983, as amended at 52 FR 750, Jan. 8, 1987; 57 FR 28798, June 29, 1992]

§ 60.43 Limitation, suspension, or termination of the eligibility of a HEAL lender or holder.

(a) The Secretary may limit, suspend, or terminate the eligibility under the HEAL program of an otherwise eligible lender or holder that violates or fails to comply with any provision of title VII, part A, subpart I of the Act as amended (42 U.S.C. 292–292p), these regulations, or agreements with the Secretary concerning the HEAL program. Prior to terminating a lender or holder's participation in the program, the Secretary will provide the entity an opportunity for a hearing in accordance with the procedures under paragraph (b) of this section.

(b) The Secretary will provide any lender or holder subject to termination with a written notice, sent by certified mail, specifying his or her intention to terminate the lender or holder's participation in the program and stating that the entity may request, within 30 days of the receipt of this notice, a formal hearing. If the entity requests a hearing, it must, within 90 days of the receipt of the notice, submit material, factual issues in dispute to demonstrate that there is cause for a hear-

ing. These issues must be both substantive and relevant. The hearing will be held in the Washington, DC metropolitan area. The Secretary will deny a hearing if:

(1) The request for a hearing is untimely (i.e., fails to meet the 30-day requirement);

(2) The lender or holder does not provide a statement of material, factual issues in dispute within the 90-day required period; or

(3) The statement of factual issues in dispute is frivolous or inconsequential.

In the event that the Secretary denies a hearing, the Secretary will send a written denial, by certified mail, to the lender or holder setting forth the reasons for denial. If a hearing is denied, or if as a result of the hearing, termination is still determined to be necessary, the lender or holder will be terminated from participation in the program. An entity will be permitted to reapply for participation in the program when it demonstrates, and the Secretary agrees, that it is in compliance with all HEAL requirements.

(c) This section does not apply to a determination that a HEAL lender fails to meet the statutory definition of an "eligible lender."

(d) This section also does not apply to administrative action by the Department of Health and Human Services based on any alleged violation of:

(1) Title VI of the Civil Rights Act of 1964, which is governed by 45 CFR part 80;

(2) Title IX of the Education Amendments of 1972, which is governed by 45 CFR part 86;

(3) The Family Educational Rights and Privacy Act of 1974 (section 438 of the General Education Provisions Act, as amended), which is governed by 34 CFR part 99; or

(4) Title XI of the Right to Financial Privacy Act of 1978, Pub. L. 95–630 (12 U.S.C. 3401–3422).

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